

QUEENSTOWN LAKES DISTRICT COUNCIL

STRATEGY COMMITTEE

FOR MEETING 10 FEBRUARY 2009

REPORT FOR AGENDA ITEM:

SUBMITTED BY: Scott Figenshow – Senior Policy Analyst

REPORT DATED: 28 January 2009

**UPDATE ON VISITOR ACCOMMODATION AND RESIDENTIAL AMENITY:
PROPOSED PLAN CHANGE 23 AND RELATED PROJECTS**

PURPOSE

Plan Change 23, also referred to as “Providing residential neighbourhoods for a sustainable community”, started as a simple plan change to define two sorts of high density neighbourhoods: those expecting a mix of visitor accommodation with residential uses, and those which would be limited to predominantly residential uses. Through the development of the Section 32 cost benefit analysis, it became apparent that several related projects may complicate PC23. For example:

- PC 10 – Amenity in the High Density Residential zone, for which resolution of appeals continues, requires further consideration.
- The recent decision on PC22: Definition of Visitor Accommodation presents a complication that also requires further consideration.

This report recommends a work programme to resolve these complications.

CONFIDENTIALITY

This is a fully public report.

BACKGROUND

The specific purpose of the PC23 project as set forth in the discussion document is:

- To identify those areas within the current High Density Residential (HDR) zone that are to be protected as predominantly residential neighbourhoods into the future to maintain a mix of permanent residents and visitors within the immediate catchments of the Queenstown and Wanaka town centres; and
- To retain sufficient capacity within the HDR zone for anticipated visitor accommodation and residential growth into the future.

The Working Party for PC23 consists of Councillors Lyal Cocks, Mel Gazzard and Lex Perkins, together with consultant planner Vicki Jones and council officers Philip Pannett and Scott Figenshow. Hill Young Cooper has completed their scope of work on this project.

For more background on Plan Change (PC) 23, refer to the reports presented to the Strategy Committee in February, May, July and September 2008.

The Council is undertaking a series of Plan Changes to improve provisions relating to visitor accommodation. Current status is as follows:

- Plan Change 10 (relating to amenity in the High Density zone) appeals are becoming resolved, refining the issues and their solutions. Two follow-on issues raised by appellants, and requiring a Council response are:
 - the study of specific areas at the base of Ben Lomond, where greater height may be appropriate with no more than minor environmental effects. See attachment 1 for further info.
 - Development of guidance in the form of practice notes to illustrate how consent planners would interpret certain provisions of plan changes 6, 8 and 10. The notes would be publicly available.
- Plan Change 22 (relating to the definition of Visitor Accommodation (VA)) has reached a notified decision, and sets out a Registered Holiday Home and Homestay Programme. The Discussion section explores this further.

Together, these efforts are intended to provide high quality visitor accommodation and residential living environments throughout the district. This is to be achieved by clarifying where VA is desired, and where residential uses should predominate. Careful coordination amongst the various projects is required to ensure the best long term outcomes.

ATTACHMENTS

1. Height Study Brief

SIGNIFICANCE OF DECISION

This report is not significant under Council's significance policy.

CONSULTATION - INTERESTED OR AFFECTED PERSONS

The September 2008 report detailed the consultation phase of this project. No further consultation has taken place since then.

RELEVANT COUNCIL POLICIES

The following policy documents have been considered in the preparation of this report:

- The Queenstown Lakes District Council Policy Manual
- The Queenstown Lakes Partially Operative District Plan
- The Council's "policy of significance"
- The Long Term Council Community Plan (LTCCP)
- The Local Government Act (2002)
- Previous decisions of Strategy Committee and Council related to this issue.
- The HOPE Strategy (2005 & 2007)

DISCUSSION

The Decision of the September 2008 Strategy committee was to:

“Authorise officers to develop the Section 32 and required documentation for proposed Plan Change 23: “Providing Residential Neighbourhoods for a Sustainable Community - Visitor Accommodation and Residential Amenity”.

At that time, we anticipated the Section 32 report to be available for the Committee’s review in December 2008.

We have completed drafting of the Section 32 report, yet still require further information on two of the issues listed in the September report, and two additional issues that emerged through the S32 drafting. Those issues are:

1. Would this project push Visitor Accommodation into Low Density Residential (LDR)? Concern is that the project does not protect the LDR from VA. In response, officers are considering an appropriate response to ensure the LDR does not become an easier location than the HDR for developing VA. Wanaka and Fernhill submitters specifically requested that the plan change include the LDR zone, with protections from VA above the scale of a small homestay. Monitoring data is being compiled by Lakes Environmental, which is expected in March.

The recent decision on Plan Change 22: Definition of Visitor Accommodation (notified December 2008) is also being considered for possible effects. The decision provides for a Holiday Home registration programme which allows up to 90 nights per year (minimum stay 3 nights) of short-term, visitor accommodation-type letting without the need for resource consent. Council and Lakes Environmental officers are reviewing the pool of potential VA consent applications in the LDR that may result from the new definition.

2. Areas adjacent to Town Centres: Identify locations for large scale VA? In Queenstown, the need for more consideration as to how/where additional visitor accommodation would be encouraged/ enabled at a greater scale than is currently the case as a result of PC10 was raised. As stated in the September report, this issue is most prevalent in the Lake Esplanade and Brecon Street vicinities, with the following research underway:

- a. What is the demand for big hotel sites?
- b. What are the constraints to developing such product within the existing zone rules and capacity allowed?
- c. How does this support the Town Centre Strategy – does more hotel capacity keep the Town Centres vibrant?
- d. Would this reduce the fear that the project might push VA into the LDR?

We await further direction on this issue through Queenstown Town Centre Strategy work.

3. PC 10 -related issues

Resolving appeals to plan change 10 continues. At this stage we are aware of one appeal (Kreft) that is proceeding on a timetable to a hearing in July/August. Other matters will be reported on at a March pre-hearing conference with the Environment Court, which would either see matters resolved by consent memorandum or timetabled for hearing.

Appellants have raised two issues which requiring a Council response in accordance with our agreed mediation positions:

- The study of specific areas at the base of Ben Lomond. Please see “Attachment 1: Height Study Brief”. The brief reflects a way forward to address issues raised by 3 appellants, all who made a case for inclusion of additional height on their sites, but for which Council rejected their arguments as outside the scope of PC10. A mediated position resulted in the need to study the effects of height on groupings of sites with similar conditions, rather than be limited only to the appellant sites. Only upon completion of the height study could recommendations be made about subsequent actions related to height.
- Development of that guidance in the form of practice notes to illustrate how consent planners would interpret certain provisions of plan changes 6, 8 and 10. (work on this would be undertaken in conjunction with the matters under issue 4 below).

At this time officers do not recommend proceeding with plan changes in the High Density Residential zone until all appeals are resolved and PC10 is operative.

4. To what extent does the Council need to introduce provisions and methods into the District Plan to achieve quality high density residential development?

Whilst the majority of respondents to the PC23 consultation favoured the use of specific standards and assessment criteria for residential development standards, guidelines were the next most favoured. At this time, officers propose to progress the development of such residential amenity standards in the form of a guideline for public use, deferring until a future time their use as a statutory requirement.

Amenity Standards:

- i. a single unit cannot be configured or offered as a ‘dual key’ option.
- ii. All bedrooms must have an exterior window.
- iii. All applicable standards for a residential unit must be complied with where those standards are greater than the visitor accommodation standard (i.e. the residential standard for outdoor space shall be satisfied, rather than the lower visitor accommodation standard)
- iv. Residential units must meet or exceed minimum unit sizes, by number of bedrooms. (note: these are proposed to be the same as used in PC24: Affordable Housing)

The amenity standard guidance would also demonstrate effective solar orientation, examples of adequate space for storage and utilities, balancing privacy with open spaces, and the relationship of buildings to the neighbourhood among topics.

The guidance work would then progress as two components:

- Interpretation of specific provisions related to PC 10 administration (from issue 3 above); and
- Amenity standards

Work from the above actions will be fed through the existing working party for review before returning to Strategy Committee for further action.

In summary, work on the issues described above would progress as follows:

Timetable	1. LDR issues	2. VA-Town Centre results	3. PC 10 issues	4. Guidance
Work underway	Monitoring	TC Strategy	Height Study	Development of guidance
Other actions required?	Consideration of including the LDR within scope for the PC	Adoption of TC Strategy	Resolution of PC10 appeals	Adopt final guidance materials
Next report to Strategy?	June	As per TC Strategy	June	June

The June report would provide an update on the status of the various workstreams, which form part of the Section 32 analysis to examine the costs and benefits of any final plan change.

Given that at least one PC10 appeal is currently timetabled for hearing in July/August, it is unlikely for any plan change to be proposed for adoption and public notification prior to September, 2009.

CONSIDERATION OF OPTIONS

The report requests approval to proceed with the work in the four areas outlined above before making the decision to notify a plan change. In this context, there are two options:

1) Proceed with development of the above workplan. This option is preferred for the following reasons:

- It addresses the matters requiring further assessment and investigation as outlined in this report
- It provides the information needed for a robust examination of the costs and benefits of proceeding with a plan change.
- It coordinates a set of work on several projects related to Visitor Accommodation and the High Density Zone in a comprehensive fashion.

2) Do not continue with the workplan.

This is not considered to achieve the project purpose to identify areas that are to be protected as predominantly residential neighbourhoods into the future to maintain a mix of permanent residents and visitors within the immediate catchments of the Queenstown and Wanaka town centres.

Certain aspects of the workplan (ie the Height Study and Guidance) form an essential component to resolving appeals to Plan Change 10, and as a result need to be completed to conclude that process. While the PC10 –related items could be progresses on their own, it would appear to be an inefficient use of resources to not then use that information when considering future actions related to PC23.

FINANCIAL IMPACT

The workplan items can all be accommodated with existing project budgets approved in the 2008-2009 Annual Plan budget.

DELEGATIONS REGISTER REFERENCE

There are no issues of delegations arising from this report.

RECOMMENDATION

That the Strategy Committee:

1. *Receive the report; and*
2. *Authorise officers to progress the Height Study Brief as presented;*
3. *Defer further progress on proposed Plan Change 23: “Providing Residential Neighbourhoods for a Sustainable Community - Visitor Accommodation and Residential Amenity” until appeals are resolved on PC 10;*
4. *Authorise officers to progress guidance material to resolve plan change 10 issues and to promote residential amenity standards.*